

FORM 3

APPLICATION FOR PERMIT TO DRILL

6. SURFACE:
State

B. TYPE OF WELL: OIL ☒ GAS ☐ OTHER _____ SINGLE ZONE ☒ MULTIPLE ZONE ☐

8. UNIT or CA AGREEMENT NAME:
NA

9. WELL NAME and NUMBER:
Salt Valley State #23-43

10. FIELD AND POOL, OR WILDCAT:
Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE,
MERIDIAN:
NESE 23 22S 19E

AT PROPOSED PRODUCING ZONE: Same as surface

12. COUNTY:	13. STATE:
Grand	UTAH

7 miles South of Thompson, Utah

18. NUMBER OF ACRES IN LEASE: 1280

17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40

19. PROPOSED DEPTH: 9,550

20. BOND DESCRIPTION:
CPCS-215808

22. APPROXIMATE DATE WORK WILL START:
2/15/2007

23. ESTIMATED DURATION:
35 days

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12-1/4"	9-5/8" J-55 STC 36#	1,320	Lead - 85/15/8 300 sxs 2.14 12.5#
			Tail - Type III 150 sxs 1.41 14.6#
8-3/4"	5-1/2" P110 LTC 17#	9,550	Lead - 50/50/6 Poz G 290 sxs 2.13 12.0#
			Tail - 50/50/2 Poz G 1600 sxs 1.41 13.5#

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☒ COMPLETE DRILLING PLAN

☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

TITLE Regulatory Manager

DATE 1/16/07

(This space for State use only)

APPROVAL:

RECEIVED
JAN 17 2007

DIV. OF OIL, GAS & MINING

Range 19 East

(S89°57'W - 5281.32')

Township 22 South

(N00°01'W)

23

UTM
N 4304103
E 605870

533.21'

SALT VALLEY
STATE #23-43
ELEV. 4681.2'

1929.14'

(N00°01'W)
M 10.00N
N00°02'45"W - 5286.54'

(N89°58'W - 5278.68')

Legend

- Drill Hole Location
- ⊕ Stone Monument (Found)
- Stone Monument (Searched for, but not found)
- △ Calculated Corner
- () GLO

GPS Measured

NOTES:

1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG
38°52'52.627"N
109°46'46.035"W

Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:

The Basis of Bearing is GPS Measured.

GLO Bearing:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:

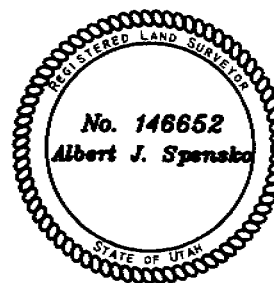
Basis of Elevation of 4686.81' being at a benchmark on a bridge in Section 15, Township 22 South, Range 19 East, Salt Lake Base and Meridian, as shown on the Crescent Junction Quadrangle 7.5 minute series map.

Description of Location:

Proposed Drill Hole located in the NE/4 SE/4 of Section 23, T22S, R19E, S.L.B.&M., being 1929.14' North and 533.21' West from the Southeast Section Corner of Section 23, T22S, R19E, Salt Lake Base & Meridian.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@etv.net

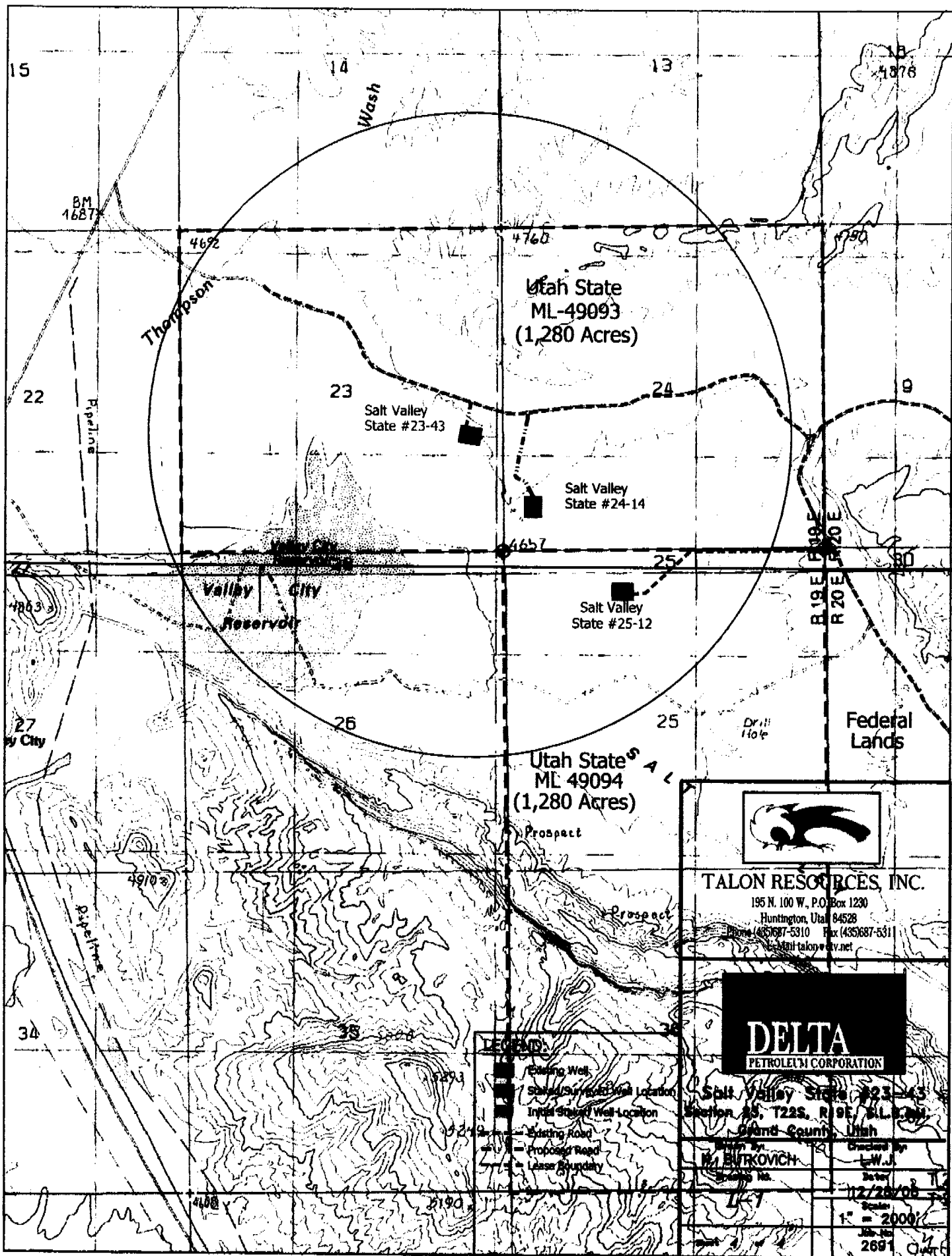


Salt Valley State #23-43
Section 23, T22S, R19E, S.L.B.&M.
Grand County, Utah

Drawn By N. BUTKOVICH	Checked By L.W.J./A.J.S.
Drawing No. A-1	Date: 12/27/06
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2691

GRAPHIC SCALE

0 500' 1000'
(IN FEET)
1 inch = 1000 ft.



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML-49093		6. SURFACE: State	
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA			
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: NA			
2. NAME OF OPERATOR: Delta Petroleum Corporation				9. WELL NAME and NUMBER: Salt Valley State #23-43			
3. ADDRESS OF OPERATOR: 370 17th St, Suite 4300 CITY Denver STATE CO ZIP 80021				PHONE NUMBER: (303) 575-0323			
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1929' FSL & 533' FEL <i>605880X 38,881247</i> AT PROPOSED PRODUCING ZONE: Same as surface <i>4304099Y -109.779338</i>				10. FIELD AND POOL, OR WILDCAT: Wildcat			
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 7 miles South of Thompson, Utah				12. COUNTY: Grand		13. STATE: UTAH	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1929'		16. NUMBER OF ACRES IN LEASE: 1280		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40			
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1550'		19. PROPOSED DEPTH: 9,550		20. BOND DESCRIPTION: CPCS-215808			
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): GR - 4681.2'		22. APPROXIMATE DATE WORK WILL START: 2/15/2007		23. ESTIMATED DURATION: 35 days			

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12-1/4"	9-5/8"	J-55 STC	36#	1,320	Lead - 85/15/8	300 sxs	2.14 12.5#
					Tail - Type III	150 sxs	1.41 14.6#
8-3/4"	5-1/2"	P110 LTC	17#	9,550	Lead - 50/50/6 Poz G	290 sxs	2.13 12.0#
					Tail - 50/50/2 Poz G	1600 sxs	1.41 13.5#

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) <u>Terry L. Hoffman</u>	TITLE <u>Regulatory Manager</u>
SIGNATURE <u><i>Terry L. Hoffman</i></u>	DATE <u>1/16/07</u>
Approved by the Utah Division of Oil, Gas and Mining	
APPROVAL: <u><i>[Signature]</i></u>	
Date: <u>03-29-07</u>	
By: <u><i>[Signature]</i></u>	

(This space for State use only)

API NUMBER ASSIGNED: 43-019-31514

RECEIVED
JAN 17 2007
DIV. OF OIL, GAS & MINING

(11/2001) (See Instructions on Reverse Side)

Range 19 East

(S89°57'W - 5281.32')

Township 22 South

(N00°01'W)

23

UTM
N 4304103
E 605870

533.21'

SALT VALLEY
STATE #23-43
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- GPS Measured

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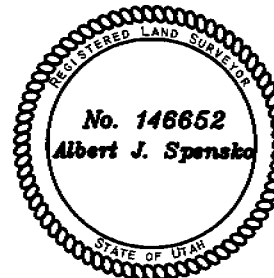
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Huntington, Utah 84528

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Salt Valley State #23-43
Section 23, T22S, R19E, S.L.B.&M.
Grand County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 12/27/06
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2691

GRAPHIC SCALE

0 500' 1000'

(IN FEET)

1 inch = 1000 ft.

EXHIBIT "D"
DRILLING PROGRAM

TIGHT HOLE STATUS

Attached to UDOGM Form 3

Delta Petroleum Corporation

Salt Valley State #23-43

NE/4 SE/4, Sec. 23, T22S, R19E, SLB & M

1929' FSL, 533' FEL

Grand County, Utah

1. The Geologic Surface Formation

	<u>TVD</u>	<u>Subsea</u>
Mancos Shale	0'	4693'

2. Estimated Tops of Important Geologic Markers

	<u>TVD</u>	<u>Subsea</u>
Mancos Shale	0'	4693'
Dakota	864'	3829'
Burro Canyon	1081'	3612'
Morrison-Brushy Basin	1278'	3415'
Morrison-Salt Wash	1579'	3114'
Entrada-Moab Tongue	1840'	2853'
Entrada-Slick Rock	1903'	2790'
Carmel	2154'	2539'
Navajo	2253'	2440'
Paradox Salt	3530'	1163'

3. Projected Gas & Water Zones

		<u>TVD</u>	<u>Subsea</u>
Dakota	Gas/Wtr	864'	3829'
Burro Canyon	Gas/Wtr	1081'	3612'
Morrison-Salt Wash	Oil/Wtr	1579'	3114'
Entrada-Moab Tongue	Water	1840'	2853'
Entrada-Slick Rock	Water	1903'	2790'
Navajo	Water	2253'	2440'
Paradox Salt	Oil/Gas	3530'	1163'

No Groundwater is anticipated to be encountered. Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling".

Casing & cementing will be done to protect all fresh water zones, potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits.

All indications of usable water will be reported.

Surface casing will be tested to 1500 psi for 15 minutes. Pressure drop is not to exceed 150 psi.

4) The Proposed Casing and Cementing Programs

Casing Program

Hole Size	Setting Depth	Size (OD)	Weight, Grade & Joint	Condition
24"	40'	16"	Conductor	New
12-1/4"	1,320'	9-5/8"	36#, J-55 STC	New
8 -3/4"	9550'	5-1/2"	17#, P110 LTC	New

Cement Program

Surface Casing:

Lead: 300 sxs 85/15/8
Weight: 12.5 # / gal
Yield: 2.14 cu.ft / sk

Tail: 150 sxs Type III
Weight: 14.6 # / gal
Yield: 1.41 cu.ft / sk

Cement Top 1,000'

Production Casing:

Lead: 290 sxs 50/50/6 Poz G
Weight: 12.0 # / gal
Yield: 2.13 cu.ft / sk

Cement Top 1,200'

Tail: 1600 sxs 50/50/2 Poz G
Weight: 13.5 # / gal
Yield: 1.41 cu.ft / sk

Cement Top 3,000'

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

While drilling the Greentown Sate 36-11, located in the NWNW of section 36, T21S R16E, up to a depth of 6,011 feet normal pressure gradients were seen (mud weight of 10.2 ppg or 0.53 psi/ft). At 6,011 feet, a clastic break was drill which required mud weights up to 12.5 ppg (0.65 psi/ft) to control permeable gas.

While drilling the Green State 32-42, located in the SENE of section 32, T22S R17E, up to a depth of 5,600 feet, normal pressure gradients were seen (mud weight of 10.2 ppg or 0.53 psi/ft). After 5,600 feet, a clastic break was drilled which required mud weights up to 11.2 ppg (0.58 psi/ft) to control permeable gas. Another clastic break was drilled at 7,710 feet which required mud weights of 12.7 ppg (0.66 psi/ft). A clastic break was again drilled at 8,552 feet which required mud weights of 13.4 ppg (0.70 psi/ft).

As a result of the knowledge and experience gained from the drilling of these two state wells, Delta has changed well construction plans for this well. The drilling plan now reflects and are based on maximum mud weight of 13.5 ppg. This will require pressure equipment which will be rated and tested to 5,000 psi.

Exhibit "G" is a schematic diagram of the blowout preventer equipment. An 11" 5,000 psi Double gate Hydraulic BOP with one (1) blind ram and one (1) pipe ram and Annular Preventer; equipped with a 5,000 psi manual choke manifold. The BOP will be tested and charted using a BOP tester and test plug to 5,000 psi for 10 minutes. The Annular Preventer will be tested to 2,500 psi for 10 minutes. All text will be recorded in the Driller's log book. Pipe rams will be function tested daily, and blind rams tested on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

Depth	Type	Weight	Vis	Water Loss
0-1320'	Wtr	+/-8.5	+/-28	NC
1320-3200'	LSND	+/-9.0	+/-44	+/-8
3200'-9550'	Salt Mud	+/-10.2	+/-44	+/-10

7. The Testing, Logging and Coring Programs are as followed

Testing - DST's are not planned

Logging - End of Surface casing - TD Platform Express plus Sonic Scanner

Coring - No coring is planned for this location

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 4800 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approximately in February, 2007 (as soon as permit is approved).

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

TIGHT HOLE STATUS

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

EXHIBIT "E"
Multipoint Surface Use Plan

Attached to UDOGM Form 3
Summit Operating, LLC
Salt Valley State #23-43
NE/4 SE/4, Sec. 23, T22S, R19E, SLB & M
1929' FSL, 533' FEL
Grand County, Utah

1. Existing Roads

- a. The proposed access road will be Constructed consistent with the State of Utah and Delta Petroleum Corporation, and will encroach on a existing Grand County Road which is the main access into this area.
- b. The existing county road will require some upgrade construction where previous storm events have caused rutting and ditching.
- c. Existing roads will be maintained in the same or better condition. See Drawing L-1

2. Planned Access

Approximately 500' of new access will be required (See Drawing L-1) Access is determined by acquired Right of way by the surface owner.

- a. Maximum Width: 24'
- b. Maximum grade: 6 %
- c. Turnouts: None
- d. Drainage design: 1 – 18" culvert may be required along the new portion of the road. Water will be diverted around the road as necessary and practical.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. If there are existing trees, they will be left in place where practical to provide screening and buffer areas.

3. Location of Existing Wells

- a. See Drawing L-1.

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will follow.
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be obtained from Thompson City, Utah.
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally from a private source and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. A reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit may be lined with a synthetic liner. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.

Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.

- b. In the event fluids are produced, any oil will be retained in tanks until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- c. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of trailers to be located on the drill site.

9. Well-site Layout

- a. Available topsoil will be removed from the location and stockpiled. Location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on Exhibit "C".
- b. A blooie pit will be located at a minimum of 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Drawing A-2 and L-1.
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by then existed conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the well-site is to be abandoned, all disturbed areas will be recontoured to the natural contour as is possible.

11. Surface Ownership

- a. The well-site and access road will be constructed on lands owned by the School and Institutional Trust Lands Administration, 675 East 500 South, Salt Lake City, Utah 84102-2818; phone 801-538-5100. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. Other Information:

- a. The primary surface use is rangeland and grazing. The nearest dwelling is approximately 4.5 miles North. Nearest live water is in Ten Mile Wash, 9.3 miles South West.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The back-slope and fore-slope will be constructed no steeper than 3:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations shall be on the well-site during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representative**

Terry L. Hoffman
Delta Petroleum Corporation
370 17th Street, Suite 4300
Denver, CO 80021
1-303-575-0323

Permitting Consultant

Larry W. Johnson
Talon Resources, Inc.
195 North 100 West
Huntington, UT. 84528
1-435-687-5310

Excavation Contractor

Nielson Construction
625 West 1300 North
Huntington, UT 84528
1-435-687-2494

Mail Approved A.P.D. To:

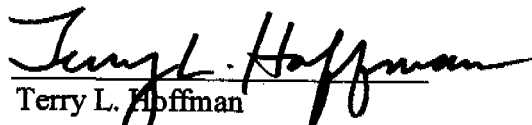
Company Representative

14. **Certification**

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Delta Petroleum Corporation and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

1-16-07

Date


Terry L. Hoffman
Regulatory Manager

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 4681.2'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 4680.7'



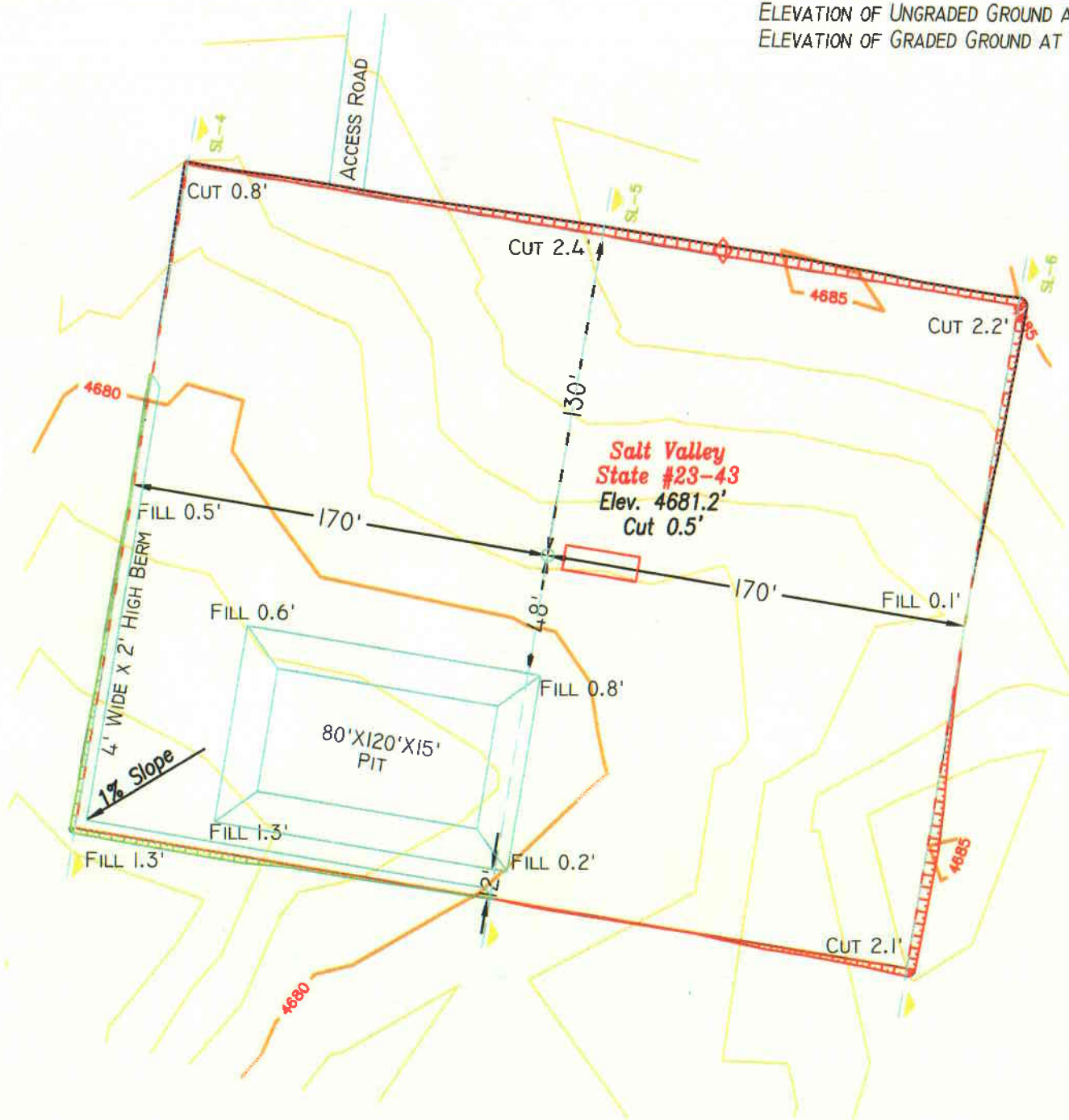
TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talon-etv.net



LOCATION LAYOUT
 Section 23, T22S, R19E, S.L.B.&M.
 Salt Valley State #23-43

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 12/27/06
	Scale: 1" = 60'
Sheet 2 of 4	Job No. 2691



TYPICAL 5,000# p.s.i.
BLOWOUT PREVENTER
SCHEMATIC

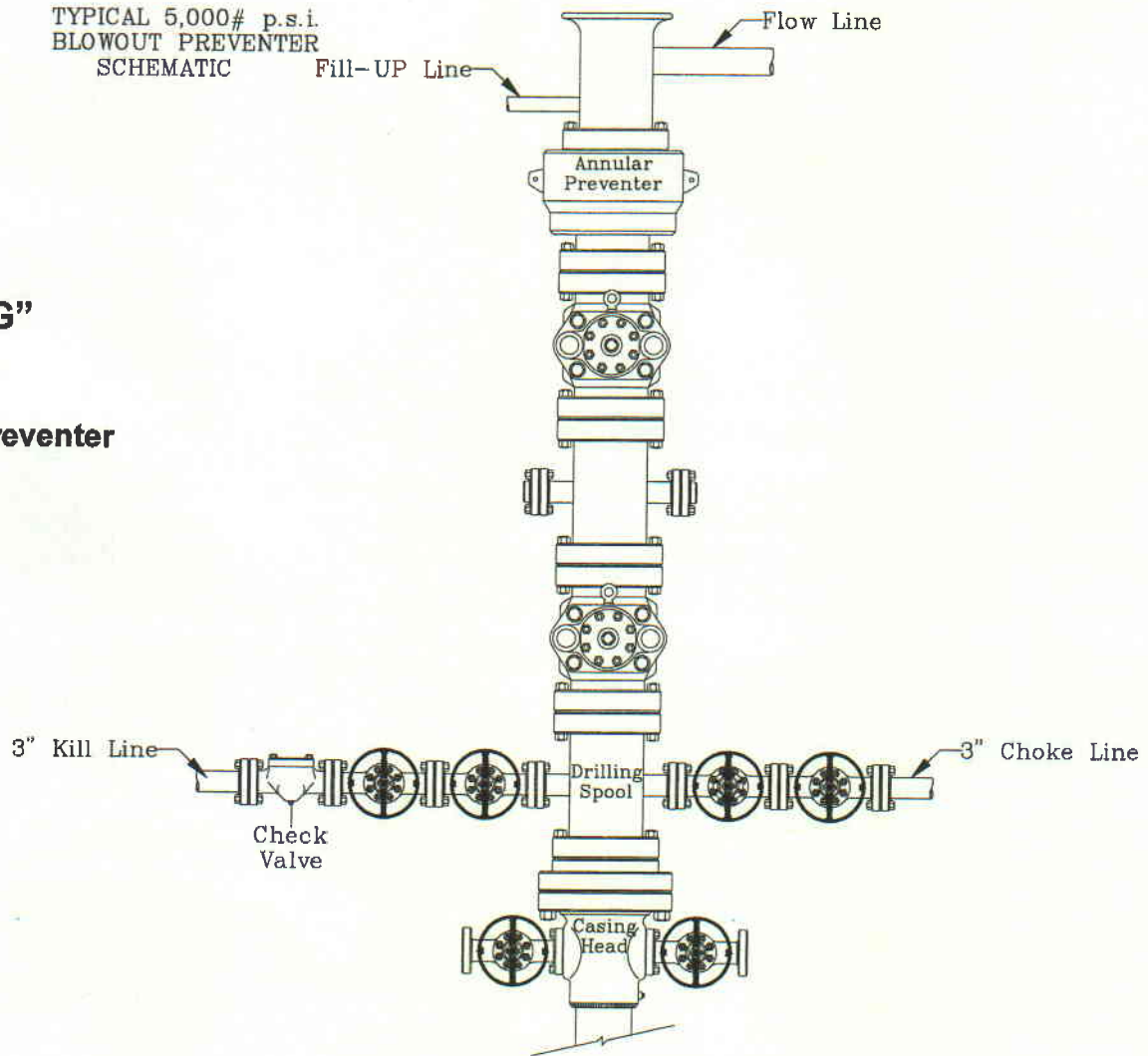
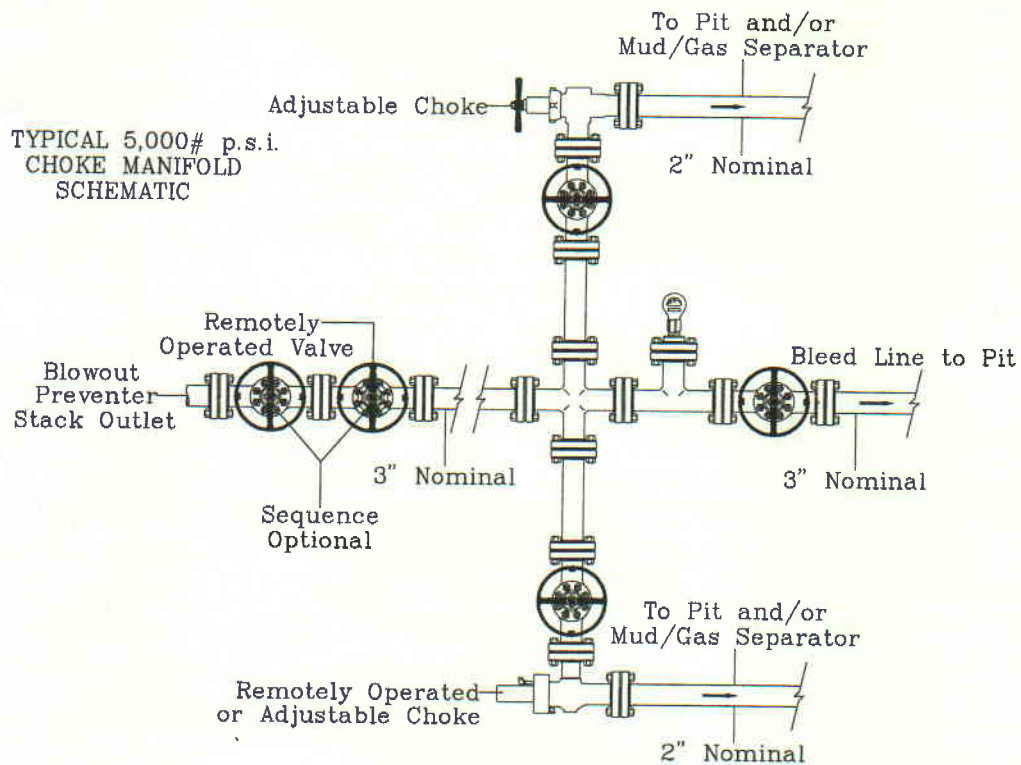


Exhibit "G"

11", 5,000#

Blowout Preventer



598000m E. 600000m E. 602000m E. 604000m E. 606000m E. 608000m E. 610000m E. NAD27 Zone 12S 615000m E.



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/17/2007

API NO. ASSIGNED: 43-019-31514

WELL NAME: SALT VLY ST 23-43

OPERATOR: DELTA PETROLEUM CORP (N2925)

CONTACT: TERRY HOFFMAN

PHONE NUMBER: 303-575-0323

PROPOSED LOCATION:

NESE 23 220S 190E

SURFACE: 1929 FSL 0533 FEL

BOTTOM: 1929 FSL 0533 FEL

COUNTY: GRAND

LATITUDE: 38.88125 LONGITUDE: -109.7793

UTM SURF EASTINGS: 605880 NORTHINGS: 4304099

FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /

Tech Review

Initials

Date

Engineering

DKD

3/29/07

Geology

Surface

LEASE TYPE: 3 - State

LEASE NUMBER: ML-49093

SURFACE OWNER: 3 - State

PROPOSED FORMATION: PRDX

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 0003304)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit

(No. MUNICIPAL)

☒ RDCC Review (Y/N)

(Date: 02/06/2007)

☒ Fee Surf Agreement (Y/N)

☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit: _____

☒ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

R649-3-11. Directional Drill

COMMENTS:

Needs Permit (02-07-07)

STIPULATIONS:

1- Spacing Strip
2- STATEMENT OF BASIS

14

13

T22S R19E

T22S R20E

◇ UNKNOWN

23

◇
BIG SIX
OIL CO 1SALT VLY
ST 23-43 ⊕

24

SALT VLY ST
24-14 ⊕SALT VLY
ST 25-12 ⊕UNKNOWN
◇

26

25

SOLITUDE
WASH 1 ◇

OPERATOR: DELTA PETRO CORP (N2924)

SEC: 23,24 T.22S R. 19E

FIELD: WILDCAT (001)

COUNTY: GRAND

SPACING: R649-3-2 / GENERAL SITING

Field Status

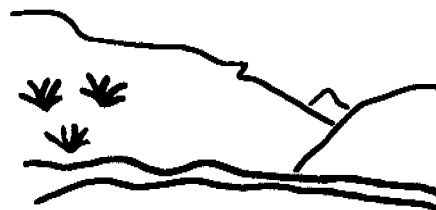
- ☐ ABANDONED
- ☐ ACTIVE
- ☐ COMBINED
- ☐ INACTIVE
- ☐ PROPOSED
- ☐ STORAGE
- ☐ TERMINATED

Unit Status

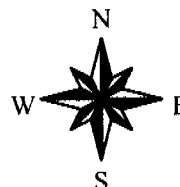
- ☐ EXPLORATORY
- ☐ GAS STORAGE
- ☐ NF PP OIL
- ☐ NF SECONDARY
- ☐ PENDING
- ☐ PI OIL
- ☐ PP GAS
- ☐ PP GEOTHERML
- ☐ PP OIL
- ☐ SECONDARY
- ☐ TERMINATED

Wells Status

- ☐ GAS INJECTION
- ☐ GAS STORAGE
- ☐ LOCATION ABANDONED
- ☐ NEW LOCATION
- ☐ PLUGGED & ABANDONED
- ☐ PRODUCING GAS
- ☐ PRODUCING OIL
- ☐ SHUT-IN GAS
- ☐ SHUT-IN OIL
- ☐ TEMP. ABANDONED
- ☐ TEST WELL
- ☐ WATER INJECTION
- ☐ WATER SUPPLY
- ☐ WATER DISPOSAL
- ☐ DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 22-JANUARY-2007



UTAH DIVISION OF WATER RIGHTS

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Casing Schematic

Surface

3HP

$$0.052(9550)10.2 = 5065 \text{ psi}$$

$$\text{anticipate} = 4800 \text{ psi}$$

9-5/8"
MW 8.5
Frac 19.3

$$\text{Gas } .12(9550) = 1146$$

$$5065 - 1146 = 3919 \text{ psi, MASP}$$

$$\text{Wt } .22(9550) = 2101$$

$$5065 - 2101 = 2964 \text{ psi}$$

BOPE 5M ✓

Burst 3520

$$70\% = 2464 \text{ psi}$$

Max P@ surf shoe

$$.22(8230) = 1811$$

$$5065 - 1811 = 3254 \text{ psi}$$

$$5065 - 1811 = 3254 \text{ psi}$$

test to 2464 psi ✓

✓ Adequate DWD 3/29/07

5-1/2"
MW 13.5

1276

TOC @ Mancos

TOC w/10% w/o

864' Dakota
1081' Burro Canyon
1278' Morrison - Brushy Basin


TOC @ 15320 MD
1541' Entrada - Moab Tongue
1903' Entrada - Slick Rock
2154' Carmel
2253' Navajo

3530' Paradox

Propose TOC to 1200'

Production
9550. MD

STATE ACTIONS
Resource Development Coordinating Committee
Public Lands Policy Coordination Office
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or February 5, 2007
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: Delta Petroleum Corporation proposes to drill the Salt Valley State 23-43 well (wildcat) on a State lease ML-49093, Grand County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 1929' FSL 533' FEL, NE/4 SE/4, Section 23, Township 22 South, Range 19 East, Grand County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Southeastern Utah Association of Governments	
10. For further information, contact: Diana Whitney Phone: (801) 538-5312	11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: January 22, 2007

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? N

Paleo Potential Observed?

Cultural Survey Run? Y

Cultural Resources? N

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Low permeability	0
Fluid Type	TDS>10000	15
Drill Cuttings	Salt or Detrimental	10
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

Final Score 25 1 **Sensitivity Level**

Characteristics / Requirements

Liner in reserve pit require due to drilling with a salt based mud system, drill cutting being salty, and poor track record of operator.

Closed Loop Mud Required? N

Liner Required? Y

Liner Thickness 12

Pit Underlayment Required? N

Other Observations / Comments

SITLA provided no comments. DWR recommends that Delta participate in May flights for raptor surveys. Project site is considered viable ferruginous hawk nesting habitat. DWR recommends that constructions activities avoid white-tailed prairie-dog towns. DOGM requires a liner on the reserve pit, and it should be kept in functioning condition. No activity should occur outside of the permitted access road and well pad. This includes the storage of materials, equipment and vehicles. Contractors should be informed prior to dispatching to job site they are to remain within these permitted areas. Access road is located entirely on Mancos clay soils and crosses several significant washes. Delta should be prepared for muddy soils and intense flows in washes during the months of late July thru October. Recommended that operations not be conducted during those months when possible.

Bart Kettle
Evaluator

2/7/2007
Date / Time

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

2/21/2007

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
205	43-019-31514-00-00		OW	S	No
Operator	DELTA PETROLEUM CORP	Surface Owner-APD			
Well Name	SALT VLY ST 23-43	Unit			
Field	UNDESIGNATED	Type of Work			
Location	NESE 23 22S 19E S 0 F L 0 F L	GPS Coord (UTM) 605880E 4304099N			

Geologic Statement of Basis

Significant volumes of high quality ground water are unlikely to be encountered in the bedrock at this location. A thin, poorly to moderately permeable soil is likely to be developed on the Cretaceous-age Ferron or Tununk Members of the Mancos Shale. Poor quality water is likely to be encountered in permeable Mesozoic and upper Paleozoic sandstones in this area. A review of the historical files of wells on and near the Salt Valley Anticline suggests that it is very likely that poor quality water is relatively near the surface. The proposed casing and cementing program should adequately isolate any zones of fresh water that may be penetrated. No underground water rights have been filed on any area within a mile of the proposed well site.

Chris Kierst
APD Evaluator

2/15/2007
Date / Time

Surface Statement of Basis

On-site conducted February 7, 2007. In attendance: Bart Kettle-Division of Oil Gas and Mining (DOGM), Leroy Mead-Division of Wildlife Resources (DWR), Ed Bonner-School and Institutional Trust Lands Administration (SITLA), Don Kincheloe-Delta Petroleum Corporation, Terry Hoffman-Delta Petroleum Corporation, Larry Johnson-Talon Resources, Inc

DWR recommends Delta participate in May raptor survey flights. DOGM requires that reserve pit is lined and kept in proper functioning condition. DOGM requires that all activities associated with constructing, drilling, completion and production of well be restricted to permitted access route and well pad. Delta Petroleum Corporation will be held accountable for the activities of contractors and company representatives. DOGM recommends that Delta be mindful of the monsoon season occurring from late July into mid October when planning drilling and completion activities in this area. Access road is located almost entirely on Mancos clay soils where muddy soils and intense flows in washes should be expected during rain events.

Bart Kettle
Onsite Evaluator

2/7/2007
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	Access road should be a raised bed road.
Surface	All materials, equipment, shall be stored within permitted area. No activity shall occur outside of permitted well pad and access road.
Surface	Operator is responsible for acquiring appropriate rights-of-ways or other permits from other surface managing agencies or landowners, for roads, staging areas, and gravel pits utilized for constructing/drilling/producing the state wells.

Well name:

2007-02 Delta Salt Valley ST 23-43Operator: **Delta Petroleum Corporation**String type: **Surface**

Project ID:

43-019-31514

Location: **Grand County****Design parameters:****Collapse**Mud weight: 8.500 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 83 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,320 ft

Cement top: Surface

BurstMax anticipated surface
pressure: 1,162 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,320 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)Tension is based on buoyed weight.
Neutral point: 1,154 ft**Non-directional string.****Re subsequent strings:**Next setting depth: 9,550 ft
Next mud weight: 13.500 ppg
Next setting BHP: 6,697 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 1,320 ft
Injection pressure: 1,320 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1320	9.625	36.00	J-55	ST&C	1320	1320	8.796	573
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	583	2020	3.466	1320	3520	2.67	42	394	9.48 J

Prepared Helen Sadik-Macdonald
by: Div of Oil, Gas & MineralsPhone: 801-538-5357
FAX: 810-359-3940Date: February 22, 2007
Salt Lake City, Utah**Remarks:**Collapse is based on a vertical depth of 1320 ft, a mud weight of 8.5 ppg. The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

2007-02 Delta Salt Valley ST 23-43Operator: **Delta Petroleum Corporation**String type: **Production**

Project ID:

43-019-31514Location: **Grand County****Design parameters:****Collapse**Mud weight: 13.500 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 199 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 1,541 ft

BurstMax anticipated surface
pressure: 4,596 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 6,697 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)**Non-directional string.**

Tension is based on buoyed weight.

Neutral point: 7,595 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9550	5.5	17.00	P-110	LT&C	9550	9550	4.767	1246.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	6697	7480	1.117	6697	10640	1.59	129	445	3.45 J

Prepared Helen Sadik-Macdonald
by: Div of Oil, Gas & MineralsPhone: 801-538-5357
FAX: 810-359-3940Date: February 22, 2007
Salt Lake City, Utah**Remarks:**Collapse is based on a vertical depth of 9550 ft, a mud weight of 13.5 ppg. The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator DELTA PETROLEUM CORP
Well Name SALT VLY ST 23-43
API Number 43-019-31514-0 **APD No** 205 **Field/Unit** UNDESIGNATED
Location: 1/4, 1/4 NESE **Sec** 23 **Tw** 22S **Rng** 19E 0 FL 0 FL
GPS Coord (UTM) 605868 4304110 **Surface Owner**

Participants

Bart Kettle (DOGM), Ed Bonner (SITLA), LeRoy Mead (DWR), Terry Hoffman (Delta), Don Kincheloe (Delta), Larry Johnson (Talon)

Regional/Local Setting & Topography

Proposed project area is located roughly ten miles southwest of the town of Thompson Springs, in Grand County Utah. On a regional setting the well site is located in the transition zone between the regions generally referred to as the Bookcliffs and the Canyonlands Region of the Colorado Plateau. Topography in these areas is generally a series of mesas falling off into steep canyons comprising of alternating layers of sandstone, shale and clays. The climate within the region is arid, and vegetation is generally sparse at the lower elevations. Annual precipitation at the well site is 6-8" zone, and vegetation would be described as salt scrub rangelands. Topography immediately adjacent to the well is rolling clay hills and a large playa with sandstone cliffs to the south. Water drainages is to the west entering the Green River within twenty five miles. There was no perennial surface water observed in close proximity to the project site. Drainages in the immediate area are ephemeral in nature, but contain substantial flow during intense rain events of the monsoon season.

Surface Use Plan

Current Surface Use

Grazing
Wildlife Habitat

New Road

Miles	Well Pad		Src Const Material	Surface Formation
0.1	Width 270	Length 340	Onsite	MNCS

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Grass: Cheatgrass, Curly galleta.

Forbs: Globe mallow, annual purple mustard, halogeton, desert trumpet, Russian thistle, desert plantain, scorpion weed.

Shrubs: Castle valley clover, mat salt brush, bud sage, broom snakeweed.

Other: Cactus spp.

Soil Type and Characteristics

Heavy gray Mancos clays

Erosion Issues Y

Highly erosive soils

From: Robert Clark
To: Mason, Diana
Date: 1/29/2007 12:20 PM
Subject: RDCC short turn-around responses

CC: Anderson, Tad; Heying, Cheryl; Mcneill, Dave
The following comments are in response to RDCC short turn around items **RDCC #7511 through 7517 and RDCC #7527 through 7534.**

FYI: All comments are similar with the exception of the requesting entity, the well designation, and the county.

RDCC #7511, Comments begin: The Berry Petroleum Company proposal to drill the LC Tribal 2-11D-56 wildcat well, in Duchesne County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**

RDCC #7512, comments begin: The Berry Petroleum Company proposal to drill the LC Tribal 2-11D-56 wildcat well, in Duchesne County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

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RDCC #7513, comments begin: The Royalite Petroleum Corporation proposal to drill the Royalite State 16-1 wildcat well, in Piute County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

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RDCC #7514, comments begin: The Delta Petroleum Corporation proposal to drill the Salt Valley State 23-43 wildcat well, in Grand County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

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RDCC #7515, comments begin: The Delta Petroleum Corporation proposal to drill the Salt Valley State 24-14 wildcat well, in Grand County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

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RDCC #7516, comments begin: The EOG Resources, Inc. proposal to drill the Big Wash 61-16-GR wildcat well, in Duchesne County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

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RDCC #7517, comments begin: The EOG Resources, Inc. proposal to drill the Big Wash 30-02-GR wildcat well, in Duchesne County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

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RDCC #7527, comments begin: The Questar Exploration & Production Company proposal to drill the SCS 5C-32-14-19 wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing

vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**

RDCC #7528, comments begin: The Delta Petroleum Corporation proposal to drill the Greentown State 36-33S wildcat well, in Grand County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**

RDCC #7529, comments begin: The Delta Petroleum Corporation proposal to drill the Greentown State 36-24S wildcat well, in Grand County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**

RDCC #7530, comments begin: The Delta Petroleum Corporation proposal to drill the Greentown State 36-31S wildcat well, in Grand County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**

RDCC #7531, comments begin: The Delta Petroleum Corporation proposal to drill the Greentown State 36-42S wildcat well, in Grand County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**

RDCC #7532, comments begin: The Delta Petroleum Corporation proposal to drill the Greentown State 36-22S wildcat well, in Grand County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any

compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

RDCC #7533, comments begin: The Delta Petroleum Corporation proposal to drill the Greentown State 36-44S wildcat well, in Grand County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

RDCC #7534, comments begin: The Delta Petroleum Corporation proposal to drill the Greentown State 36-13S wildcat well, in Grand County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

Robert Clark
Division of Air Quality
801-536-4435

From: Ed Bonner
To: Mason, Diana
Date: 2/14/2007 11:37 AM
Subject: Well Clearance

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Delta Petroleum Corporation

Salt Valley State 24-14 (API 43 019 31513)

Salt Valley State 23-43 (API 43 019 31514)

Dominion E&P, Inc

KC 5-36D (API 43 047 38779)

Enduring Resources, LLC

Rock House 10-22-31-36 WD (API 43 047 38993)

EOG Resources, Inc

Big Wash 30-02GR (API 43 013 33484)

East Chapita 31-16 (API 43 047 38988)

Royale Energy, Inc

Vernal Equinox 4-1 (API 43 019 31525)

Ten Mile Canyon 22-1 (API 43 019 31526)

Vernal Equinox 2-1 (API 43 019 31527)

If you have any questions regarding this matter please give me a call.

FEB 26 2007

SOUTHEASTERNUTAH ASSOCIATION OF LOCAL GOVERNMENTS

DOUG ALLEN
CHAIRMAN

William D. Howell
EXECUTIVE DIRECTOR



375 SOUTH CARBON AVE.
P.O. DRAWER 1106
PRICE, UTAH 84501
(435) 637-5444
FAX (435) 637-5448

AREA WIDE CLEARINGHOUSE REVIEW

Federal Action _____ State Action x Approved (x) Yes () No

Other (indicate) _____

Applicant Address:

Oil, Gas & Mining

1594 West North Temple #1210

SLC, UT 84114-5801

Name/Phone #

Diana Whitney 801-538-5312

Title/Project Description Application for Permit to Drill Salt Valley State 23-43 well (wildcat).

Proposal to drill Salt Valley well on SITLA lease (ML-49093) in Grand County. Slightly south and east
of Thompson Springs.

[] No Comment

[] See comment below

Comments: Favorable comment recommended.

Lorraine Benfield
SEUALG

February 8, 2007

DATE

AREA AGENCY ON AGING • BUSINESS INCUBATION • COMMUNITY HOUSING REHABILITATION • COMMUNITY SERVICES • ECONOMIC DEVELOPMENT



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 29, 2007

Delta Petroleum Corporation
370 17th St., Ste. 4300
Denver, CO 80021

Re: Salt Valley State 23-43 Well, 1929' FSL, 533' FEL, NE SE, Sec. 23,
T. 22 South, R. 19 East, Grand County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31514.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt
Associate Director

pab
Enclosures

cc: Grand County Assessor
SITLA

Operator: Delta Petroleum Corporation
Well Name & Number Salt Valley State 23-43
API Number: 43-019-31514
Lease: ML-49093

Location: NE SE Sec. 23 T. 22 South R. 19 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office
(801) 942-0873 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office
(801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
7. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
8. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 23, 2008

Terry Hoffman
Delta Petroleum Company
370 17TH Ste. 4300
Denver, CO 80021

Re: APD Rescinded – Salt Valley State 23-43 Sec. 23, T. 22S, R. 19E
Grand County, Utah API No. 43-019-31514

Dear Ms. Hoffman:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (the Division) on March 29, 2007. On April 18, 2008, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill this well is hereby rescinded, effective April 18, 2008.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner